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DIRECTORATE OF INTELLIGENCE

6 May 1983

Mexico: The New Wave of Illegal Migration (U)

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Summary

Economic problems and population pressures are combining to push unprecedented numbers of Mexicans over the US border. During 1983, we expect as many as 1.5 million Mexicans to enter the US illegally in a search of jobs, compared with an estimated 800,000 to 1,100,000 annually in recent years.* Most of the new arrivals will return to Mexico within six months, but up to 300,000 may remain. They will join the 1.5 to 2.5 million Mexican illegals that we believe resided here on a semipermanent basis at the end of 1982. Remittances from Mexicans working illegally in the US will total an estimated \$1.5 to \$3.5 billion this year. We see almost no chance that the current wave of Mexicans coming to the US will slow dramatically any time soon. Moreover, any substantial further deterioration in Mexico's economic performance this year would cause migration to pick up.

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Dynamics of Illegal Migration

The current illegal flow of Mexicans to the US is an intensification of a long-term response to the attractions of

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*See Appendix A. (U)

This memorandum was requested by the Chairman of the National Intelligence Council. It was prepared by [redacted] Middle America-Caribbean Division, Office of African and Latin American Analysis. Information as of 29 April 1983 was used in preparation of this paper. Comments and questions are welcome and should be addressed to Chief, Mexico Branch, [redacted]

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high wages in the US and the problems of poverty and lack of opportunity in Mexico. With substantially higher wages and the steady demand for low-cost labor in the US over the past century, Mexican workers have developed complex networks to provide information on jobs and housing for illegal immigrants. This pull from across the border was reinforced by the push of a continuing deterioration in subsistence agriculture, the traditional livelihood of most illegals, and the rapid expansion of the work force. Since 1940 subsistence farms have benefited substantially less from improved farming techniques than commercial agricultural operations, and this has held down peasants' incomes and exacerbated income inequalities. Additionally, Mexico's unique ejido system -- which gives peasants perpetual usufruct* over a small plot but does not allow him to sell it -- encourages work trips to the US to supplement income. Periodic droughts and other agricultural problems add to the incentives for such trips.

Survey data gathered in Mexico and the US indicate that most illegals are landless rural laborers or ejidatarios, although a growing number of urban Mexicans -- primarily from depressed shanty towns ringing larger cities -- are beginning to cross the border. A large share of the illegals comes from the six agricultural states of Mexico's central north, and the two northern border states with the largest populations--Chihuahua and Nuevo Leon. These states have large tracts in ejidos, were the source of most of the participants in the bracero program that provided temporary work in the US for Mexicans in 1942-1964, and have a long tradition of migration to the US. Farm output per worker in the six agricultural states is much lower and rural population density is much higher than in the five other states of northern Mexico.

Other areas of Mexico are not yet major sources of illegals. People from southern states have tended to remain outside the illegal flow because of the distance to the US and the traditional culture that ties the largely Indian population to their villages. In the central region, Mexico City exerts a stronger pull than the US.

A high population growth rate provides a continuing pool of illegal immigrants. Although the rate has declined since 1970, the age cohorts entering the labor force are still large. Even now, the normal rate of growth of the labor force is about 4 percent (excluding immigrants to Mexico from Central America).

*The legal right to use property belonging to another.

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Characteristics of the Mexican Migrant

Most Mexican illegal immigrants living in the US fit into one of two groups: those who have been in the US illegally for a year or more, and those who enter periodically for a few months. According to academic studies, members of both groups want to use savings from US earnings to supplement consumption and provide for upward mobility at home. Men with longer continuous experience in the US tend to earn higher wages than the temporary migrant; women earn the least, on average.

While the majority of Mexican illegals continues to work in agriculture, more and more are finding their niche in services, industry, construction, and commerce. Large numbers now work in restaurants and hotels as dishwashers, kitchen helpers, bus boys, waiters, and clerks. Women largely find work in hotels, domestic service, or in light assembly operations.

Repeaters. Illegals making annual trips to the US are overwhelmingly young and male. Data obtained from apprehended Mexicans indicate that the average illegal immigrant is a male in his late teens when making his first of as many as five to 10 trips. The average age at initial entry has dropped by several years over the past decade. At time of first entry, the illegal is generally literate, unmarried, and has had little experience outside of agriculture. Of those who have made several trips, perhaps half are married and support four or five dependents. Most migrants have been recently employed and, considering such migrating costs as smuggling fees of \$300 to \$500, cannot be among the poorest.

Others also make annual trips to the US. A sizable, but unknown number are small landowners, commercial farm laborers, and shopkeepers. They tend to travel to the US during slack periods in their regular occupations or during recessions at home. Recent studies indicate that temporary workers earn \$500 to \$1000 monthly, stay an average of four-to-six months, and send home about one third of their earnings.

Long Termers. Mexicans who remain in the US on a semipermanent basis have uniformly higher levels of education, and in most cases either take their families along or plan to send for them. Recent work at the US Census Bureau suggests that slightly more than 40 percent of semipermanent immigrants--estimated at 1.4 - 2.5 million in 1983--are women, and just over 20 percent are children under 15 years. Because of the costs of supporting their families who are in the US, we estimate

that this group remits a smaller income share. These remittances total about \$500 million annually.

The Benefits and Costs of Migration

The economic incentives for migration are substantial. Today, the average rural wage in Mexico remains about one-tenth that of US migratory farm workers. Urban minimum wages in Mexico, although about 40 percent above the rural wage, are only a fraction of what an illegal immigrant can earn in the US.

Fear of arrest north of the border or of victimization by smugglers undoubtedly keeps many rural Mexicans from emigrating. Other, more educated rural Mexicans prefer to migrate to Mexican cities rather than to go to the US where white-collar jobs demand English language capabilities.

Previous experience in the US sharply reduces the psychological cost of migration. Statistics on those apprehended show that almost all illegal aliens have been to the US before or have close friends or relatives who have made the trip. A great number of first-time immigrants had relatives in the legal bracero program.

Factors in the Recent Surge

The dramatic upturn in illegal migration over the past months is widely acknowledged both in Mexico and the US. Recently, Mexican Congressional Deputy Luis Danton Rodriguez reported to the legislature's Foreign Relations Committee that the flow to the US had increased considerably and that professionals, technicians, skilled workers, and craftsmen were now among the migrants.

We recognize that there is no one-to-one relationship between border apprehensions by the US Immigration and Naturalization Service (INS) and the flow of illegals. Nevertheless, the substantial increase in apprehensions following Mexico's sharp devaluation and financial crisis in August suggests that the numbers crossing the border quickly began to surge.* Between January and March 1983, the apprehension rate was up more than 45 percent above the same period a year earlier.

*See Appendix A.

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Several new economic pressures spurred the current bulge. Sharp devaluations substantially raised the peso value of the dollars that the illegals earn in the United States. Even after allowing for higher inflation in Mexico, the dollar today buys nearly three times as much in Mexico as it did in January of last year.

In addition, recent layoffs and falling income are now becoming important inducements for emigration. Private-sector economists in Mexico estimate that more than 2 million jobs have been lost since mid-1982, and that unemployment is now in the 20 to 30 percent range. At the same time, underemployment (part-time, low-paying, make-work jobs), which typically stands at near 40 percent of the work force, is expected to surpass 50 percent this year. Moreover, we estimate personal consumption on average will fall by 7 to 15 percent this year.

Cyclical problems in the agricultural sector last year added to the flow of migrants. Production was cut deeply by poor weather -- including rainfall that was one-third below normal -- and sharply lower farm prices. The output of corn, the peasants' principal staple and cash crop, fell 40 percent. As rural incomes plunged, farmers' incentives to supplement incomes outside of farming increased. The concurrent Mexican industrial recession encouraged peasants to turn to the US labor market.

No End in Sight

We see almost no chance that the current wave of Mexicans coming to the US will slow dramatically any time soon. Because of the economic slide thus far in 1983, we believe even a mild recovery later this year would not be enough to slow the exodus. If, on the other hand, the drop in economic activity were to become even more pronounced, migration would speed up.

Moreover, we expect Mexico's economy to stay depressed for the next two to three years, and past population growth to continue multiplying the pool of potential migrants. These factors are likely to keep the flow of migrants above the "normal trend" during the period.

Even if the economy recovers in the mid- to late-1980s, we estimate employment in the US will remain attractive because the absolute gap between wages in Mexico and the US will increase through the rest of this century. As a result, the numbers of Mexican migrants will remain high. Should there be widespread political instability in Mexico, a dramatic increase in those crossing the border would follow.

25X1 Mexican Government Perspectives

According to reports from the US Embassy and academics, Mexico City believes that there is little Washington can or will do to alter the fundamental pattern of Mexican migration to the US, even though disagreement over migration could cause bilateral relations to deteriorate. Officials in Mexico feel that the growing political influence of Mexican-Americans in the US and the potential for public opposition to strong US actions will prevent massive deportations on the scale of those in 1954 or military operations to seal the border, the same sources suggest.

We believe the Mexican policy objective is continuing access to the US labor market. Although government officials have not publicly admitted the crucial importance of this safety valve, the US Embassy reports that migration is viewed as critical to the country's economic and social well-being. Worker remittances are seen as being extremely important in relieving both current and long-term balance of payments pressures.

This memorandum is CONFIDENTIAL throughout.

Mexico: Estimates of Illegal Aliens in US

	(in millions)
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<u>Flows</u> ¹	
1980	0.8 - 1.0
1981	0.8 - 1.0
1982	0.9 - 1.1
1983	1.1 - 1.5
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<u>Stock</u>	
Semipermanent Stock Illegals (midyear 1983)	1.4 ² - 2.5 ³
Temporary Stock Illegals ⁴ (average 1983)	0.3 ⁵ - 0.5 ⁶
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Total Average Stock of Illegal Aliens (average 1983)	1.7 - 3.0

¹Numbers of different individuals who successfully cross the border and work in the United States regardless of length of stay.

²Extrapolation of US Census estimates of minimum 1 April 1980 illegal Mexican population. see "Estimates of Illegal Aliens from Mexico Counted in the 1980 United States Census," by Robert Warren and Jeffery Passel, April 1983.

³Assumes Warren-Passel study undercounted 60 percent.

⁴Weighted average of those who come during 1983, despite length of stay.

⁵Assumes temporaries stay on average 4 months.

⁶Assumes temporaries stay on average 6 months.

Appendix A

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An Approach for Counting Illegals

Although we know of no accurate method of counting illegals -- either the number that are currently in the US or those that come and go each year -- we believe that our own studies and others by US and Mexican officials and academics can establish a meaningful order of magnitude and provide some idea of changes in the flow of illegals.

We have no reliable data on the number of Mexicans who successfully cross the border each year. However, we believe Mexican demographic data can indicate an upper bound of 2 million a year. Assuming that the bulk of Mexican border crossers are rural males between 15 and 64--and surveys continue to show that they account for the bulk of Mexican migrants--such a number would equal more than 50 percent of the rural work force in the eight sending states.

We use border apprehensions as an indicator of changes in the flow and to provide a lower bound, although we believe the apprehensions-to-illegals ratio is indirect. Based on a recent Mexican survey, we think that every two apprehensions should be counted as one person, that a majority of those apprehended eventually get in to the US, and that an equal or greater number enter without observation. As a result, our estimate of 1 million is about one-half of other figures. Using US academic studies, we estimate that 15 to 30 percent of entrants are added to the semi-permanent stock each year.

Demographic studies also can determine upper and lower bounds on the stock of Mexicans living here indefinitely. Our own studies of Mexican population data set an upper bound of about 2 million for the semipermanent stock. The total of rural males in Mexico between 15 and 64 years was 5.7 million in 1980, and two million illegals would be equivalent to one-third of the rural males in the migration-prone years or about half of the work force from the eight primary sending states. A recent study at the US Census Bureau* compared immigration statistics with the 1980 census and found 931,000 illegal Mexicans in the US on 1 April 1980. We believe this sets a minimum. Based on the two

*"Estimates of Illegal Aliens from Mexico Counted in the 1980 United States Census" by Robert Warren and Jeffery Passel of the US Bureau of the Census, April 1983.

25X1 limits, we judge that as of 1 April 1980 the stock of Mexican illegals was 1.0 to 1.6 million.

By aggregating these trends to mid-1983 we estimate the semipermanent stock of Mexican illegal aliens at 1.4 to 2.4 million. Then, by adding a weighted average of the temporary migrants, we put the total at an average of 1.7 to 3.0 million.

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(6 May 1983)